

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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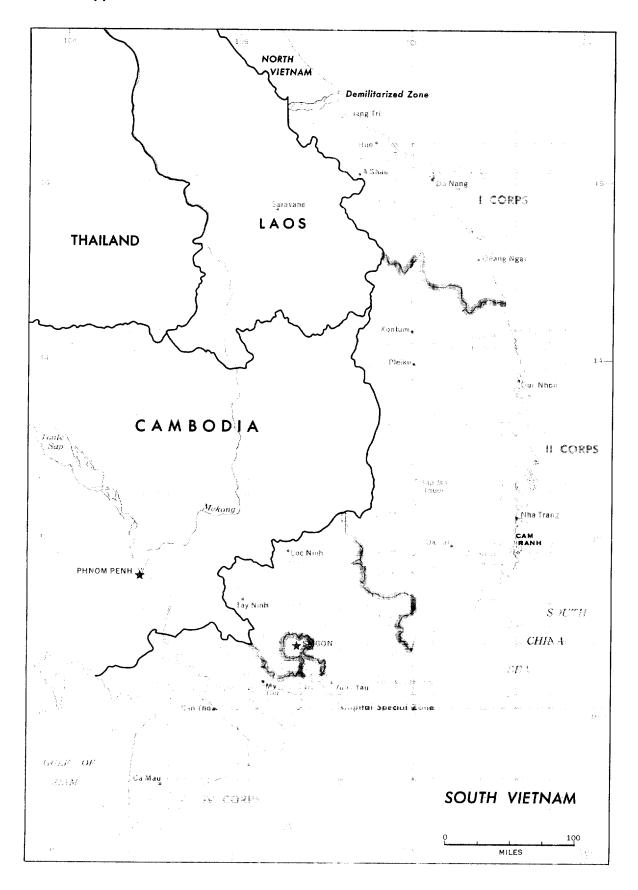
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South Vietnam: Little significant enemy-initiated military activity was reported during the weekend; widely scattered shellings and small-scale ground attacks continued in the pattern of the last week.

An allied sweep operation made contact with an enemy force in bunker complexes near Hoi An in Quang Nam Province early yesterday. Some 91 enemy were killed while US losses included 16 killed.

| Prisoners, documents, and                             | 25X1 |
|---|------|
| suggest the enemy is preparing for heavier            |      |
| offensive efforts in several sections of the country  |      |
| toward the end of the year. Such timing has been      |      |
| suggested in reports from the north-central provinces |      |
| and from those around Saigon, where                   | 25X1 |
| continue to forecast new enemy                        |      |
| efforts to attack in and near the capital.            | 25X1 |
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Czechoslovakia-USSR: Prague's leaders probably attempted to obtain Moscow's approval for implementing some aspects of their pre-invasion economic reform program during their weekend meeting in Kiev with the Soviet leaders.

Party leader Dubcek admitted on 5 December that the Czechoslovaks had consulted Moscow prior to publishing the party's resolutions at a plenary meeting of the central committee in November, in order that the resolutions would not be "a new target of polemics." Another plenary meeting of the central committee, scheduled for 12 December, will discuss economic matters.

An additional topic of conversation probably was the Soviet-sponsored newspaper, Zpravy, and Radio Vlatava, which have been operating illegally as Soviet mouthpieces in Czechoslovakia since the invasion. The Dubcek regime has been under heavy pressure to protest to the Soviets over their operation,

The communiqué issued after the meeting does not indicate that the Czechoslovaks gained satisfaction or that the two sides resolved any of their many differences. It noted only that they "exchanged opinions" on the further development of cooperation and discussed other questions of mutual interest. The very fact that the Czechoslovaks continue to consult the Soviets concerning Czechoslovak internal affairs indicates again the narrow limits within which Dubcek must operate.

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<u>USSR</u>: The government has taken new steps to strengthen domestic law and order.

On 28 November Moscow announced that the Ministry for the Protection of Public Order (MOOP) had been renamed the Ministry of Internal Affairs (MVD).

The rehabilitation of the title MVD, a symbol of the repressions of the Stalin period, is yet another sign that Moscow's leaders are charting a conservative course at home. Although the Committee of State Security (KGB) is likely to retain the responsibility for investigating political crimes, the MVD may be given the responsibility for action against economic crimes. This would free the KGB's domestic forces for an even more vigorous crackdown on political dissidents.

Despite official disclaimers, the Soviet crime rate seems to have been on the rise, particularly among youth. The police, who apparently will play a larger role in maintaining law and order, will receive increases in pay and other career benefits. At the same time, a drive is under way to bring new blood into the police. It probably will draw upon elements in the party and Komsomol and the most energetic among the vigilantes serving in auxiliary law enforcement bodies. This is in keeping with the desire of the present leadership to use "the coercive power of the state," rather than public opinion in re-educating lawbreakers.

N. A. Shchelokov, who headed the MOOP, will remain in charge of the MVD. To the extent that the measures mean a larger role for the MVD, they also are a sign that Shchelokov is a man on the rise. Inasmuch as he appears to be a Brezhnev man, the reforms also seem to favor the Brezhnev coterie in the politburo.

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Italy: The Communist Party reportedly faces
the threat of a cut in its subsidy from Moscow.

Soviet leaders told acting Italian party chief Berlinguer in mid-November,

that Moscow will sharply reduce the annual subsidy of some \$6,400,000 unless the Italian party is more responsive to Soviet guidance in international affairs. Even if the subsidy is eliminated, the party could still function effectively.

The Soviets agreed to continue the subsidy at the present rate until February 1969, when they will re-examine the whole question of Soviet-Italian party relations, including the subsidy. They picked this deadline evidently in an attempt to exert maximum pressure on the party at its Twelfth Congress, which is scheduled for the end of January. They presumably also had in mind the preparatory meeting in March for the world conference of Communist parties.

although they will continue to give the enterprises profitable business, they will reduce the amount unless the party changes its line on Czechoslovakia and on the role of the Soviet party in the international Communist movement.

the Soviet subsidy to the Italian party newspaper, L'Unita, has already been cut.

Italian Communist leaders, among the most prominent to condemn the Soviet intervention in Czech-oslovakia, now seem willing to play down the topic in public statements. Even as recently as mid-No-vember, however, party leaders unequivocally and publicly contradicted a Soviet press implication that Italian Communists condone the Soviet intervention.

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Venezuela: Christian Democrat Rafael Caldera has won a narrow election victory over Gonzalo Barrios, the presidential candidate of the governing Democratic Action Party.

Complete returns give Caldera about a 30,000-vote margin over Barrios. Military and government leaders have assured Caldera they will respect the electoral results. Some isolated incidents by disappointed Democratic Action Party adherents can be expected but the military is prepared to take strong measures to control any demonstrations which might erupt. These apparently include, if necessary, the declaration of a partial state of martial law, curfew, and the posting of a maximum number of troops to patrol urban centers.

Because the new president-elect does not assume office until 14 March, an intense period of political maneuvering can be expected as Caldera attempts to form a coalition government including some of his pre-election rivals. His task will be complicated by the fact that the Democratic Action Party appears to have won a plurality of the seats in the 197-member Chamber of Deputies.

An election phenomenon was the strong showing of the Nationalist Civic Crusade, a personalistic political vehicle of ex-dictator Perez Jimenez. Perez won election to the 42-member Senate; some 25 of his followers were elected to the Chamber of Deputies.

Caldera faces a formidable task in fashioning a new government out of the divergent elements in the Venezuelan political scene. He is also faced with a strong left-wing element within his own party which will read into the election results a mandate for rapid social and economic change. Whether Caldera can formulate government programs which will keep this group in check and at the same time not frighten business and financial interests in the country remains a question.

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Panama - Costa Rica: Pro-Arias exile activities are causing domestic political repercussions in Costa Rica.

The Costa Rican Government is hesitant to enforce strong measures against the exile insurgent groups because it fears such moves would intensify internal strains within the weak government coalition.

The Trejos administration also has come under fire from opposition deputies in the National Assembly, who interpellated Minister of Public Security Trejos, the President's son, about the frontier situation. Trejos' nervous admission of laxness along the border gave the opposition an opportunity to discredit the government.

Growing criticism will probably result in more forceful measures against the exiles, although the government's small security force is incapable of effectively patrolling the mountainous border terrain. Costa Rica is attempting to deport 30 Panamanians now being detained—a move that not only might strengthen its internal position and curb exile activity, but also might halt the deterioration in relations with Panama's junta government, which Costa Rica has not yet recognized.

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#### NOTE

| Southern Africa: National liberation forces          |   |
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| from Mozambique, Rhodesia, and South Africa are      | 25X1  |
|  | ( <sub>1</sub> ,  |
| preparing for a                                      |   |
| major, combined guerrilla offensive in Mozambique    | #17<br>-  |
| in late December. There are conflicting reports on   | ₱   |
| the size of the liberation force and its objective.  | †**<br>   |
| at least 300   | any<br>:  |
| guerrillas are located in staging camps in Zambia    | т.  |
| preparing to enter Mozambique later this month. The  | P   |
| odds are heavily against the liberation forces, how- | E:  |
| ever, because Rhodesian and Portuguese officials are | 14 to 15 to |
| already alerted to their activity.                   | 25X1  |
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